



Iowa Multi-Family Housing Program Update
March 18, 2015

How Multi-Family Housing Complexes Can Feed Summer Meals to Children

Summer is quickly approaching! The Summer Food Service Program (SFSP) ensures that low-income children continue to receive nutritious meals when school is not in session. This summer, USDA plans to serve more than 200 million free meals to children 18 years and under at approved SFSP sites.

Learn how you can help feed children at your housing community this summer through the Summer Food Service Program at: <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>

For more information about Summer Food Service Program please visit <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>, or contact Shannon Chase, USDA Rural Development Housing Program Director in Iowa at Shannon.Chase@ia.usda.gov; or Stephanie Dross with Iowa Department of Education, Bureau of Nutrition and Health Services at Stephanie.dross@iowa.gov or by phone at (515) 281-4760.

Supervisory Visit Reminders

It is that time of year again – supervisory visits and physical inspections will be starting before we know it.

What will USDA Rural Development be reviewing?

- Physical condition and maintenance of the property
- Compliance with occupancy requirements
- The property's fiscal operations
- Civil rights and fair housing compliance

Top Ten Tips for a good report on the physical appearance:

1. Make sure all trash is picked up
2. Clean laundry room, breezeways, other common areas, and store rooms
3. Clean exterior doors and siding, do touch-up painting if needed
4. Ensure handicap parking stalls and access aisles are properly marked and painted
5. Prune trees and shrubs (away from walkways, buildings, roofs, etc.)
6. Fix splash blocks and damaged downspouts, clean out gutters (are they draining properly away from the building)
7. Ensure the ground is properly sloped away from the foundation, and holes and low areas are filled
8. Be sure mowing is done, trimmings are swept up and leaves raked
9. Be sure smoke detectors are working

10. Check exterior lighting and make repairs if needed

REMEMBER: When you are notified of our inspection, you don't have time to make major repairs such as roof replacement, concrete work, etc., but it is the little things that count. A picture is worth a thousand words.

Additional reminders or tips to assist you in preparing for these visits.

Are you managing the property in accordance to your Management Plan?

- Review your Management Plan to verify how often the units are required to be inspected by you
- Review your Management Plan to verify how often the units are to be exterminated

Rural Development will randomly select units to be inspected - have all keys available.

- Are smoke detectors working?
- Are there any health and safety issues?
- Are the units being maintained and clean?
- Are there any security issues (windows not working, insufficient locks, etc.)?

We will randomly interview tenants to hear their kudos and/or concerns.

- Do they have any maintenance issues?
- Are they familiar with their Lease Agreement?
- Do they know who to contact if they need something fixed?
- We remind them that you are there for them, if they should need something.

Are all required posters/documents posted and visible in the common areas (bulletin boards)?

- Equal Housing Opportunity Poster
- And Justice for All Poster
- Tenant Grievance and Appeal Procedure
- Current approved Affirmative Fair Housing Marketing Plan (Agency signed)
- Pet Policy (for all Elderly properties)
- Names and telephone numbers of local contact person and manager

Return On Investment/Return To Owner (ROI/RTO)

In accordance with 7 CFR 3560.305

If there is negative cash flow in housing project operations, the Agency may authorize the borrower to take the ROI/RTO only after the Agency has reviewed the housing project's annual financial report and determines:

- Surplus cash exists in either the general operating account as defined in 3560.306(d)(1) or the reserve account, if the balance is greater than the required deposits minus authorized withdrawals.
- The housing project has sufficient funds to address identified capital or operational needs.

The general operating account will be deemed to contain surplus funds when the balance at the end of the housing project's fiscal year, after all payables, exceeds 20 percent of the operating and maintenance expenses. If the borrower is escrowing taxes and insurance premiums, include the amount that should be escrowed by year end and subtract such tax and insurance premiums from operating and maintenance expenses used to calculate 20 percent of the operating and maintenance expenses. If a housing project's general operating account has surplus funds at the end of the housing project's fiscal year the Agency will require the borrower to use the surplus funds to address capital needs, make a deposit in the reserve account, reduce the debt service, or reduce rents in the following year. If the borrower is required to transfer surplus funds from the general operating account to the reserve account, the transfer does not change the future required contributions to the reserve account. An allowable use of the reserve account includes payment of a ROI/RTO at the end of the borrower's fiscal year if such payment comes from surplus operating funds in the reserve account.

Area Offices will need to determine if funds transferred to the reserve account came from surplus cash and may also need to request documentation to verify when surplus cash was transferred from the general operating account into the reserve account when processing reserve requests.

Carpet Replacement in Existing Complexes

Whether carpet replacement/installation is being paid from project operating funds or reserve funds, it must meet minimum level of carpet quality to be expected in housing financed by the Federal government. These requirements have been around for a long time as they were implemented by the original U.S. Department of Housing and Urban Development (HUD) "Minimum Property Standards" in the mid-1970s.

USDA/Rural Development is obligated to verify the compliance of carpet/carpet pad materials installed in Agency financed new housing construction, as well as, **alterations and repairs/replacement to existing housing** construction in accordance with the certification requirements contained in the HUD, Use of Materials Bulletins, UM-44d and UM-72, per Subparagraph 1924.5 (d)(1) of RD Instructions.

One way to expedite the Agency's review of reserve request for carpet replacement/installation is to ensure the bid and/or invoice includes the appropriate manufacturer name and certification number. The primary carpet certification directories used are MEA Certified Carpet/Carpet Cushion Directory and ETL (Intertek) Certified Carpet & Carpet Cushion Directory. An example of the manufacturer name and certification number is **Mohawk, MEA #45535**. This is the identification information the Agency needs for the commonly installed "Endless Wonder" carpet. **We will verify the carpet certification prior to approving the pre-approval authorization from reserve and withdraw request.**

If you have any questions, contact your local [USDA Rural Development Area Office](#).

Site Manager of the Year Nominations Now Being Accepted

USDA Rural Development's Section 515 and Section 514 rental housing site managers guarantee the success of these complexes. They make sure that day-to-day operations go smoothly, and often they invest a great deal of their own free time in providing tenants with a safe and cohesive community. They deserve recognition for their outstanding work, and for this reason, we are sponsoring a program to recognize the best Rural Development site manager in Iowa.

Awards may be presented in each of the following four categories:

1. Site Manager of the Year – Elderly
2. Site Manager of the Year – Family
3. Site Manager of the Year – Farm Labor Housing
4. Maintenance Person (New in Fiscal Year 2015)

Selections will be based on the following criteria:

- The level of tenant satisfaction with the manager
- Property has good curb appeal on a continuous basis
- Compliance with USDA Rural Development's regulations
- The manager consistently doing more than what is expected

Tenants, owners, management companies, or Agency employees may make nominations. You can obtain a nomination package by contacting your local [USDA Rural Development office](#), or email Shannon.chase@ia.usda.gov.

Nomination packages are due no later than April 30, 2015 to:

USDA Rural Development
Attn: Housing Programs
210 Walnut, Rm 873
Des Moines, IA 50309

How Do You Advise a Potential Applicant of Adverse Action?

In accordance with 7 CFR 3560.160(e)

- Notify the applicant in writing, giving specific reasons for the rejection or ineligibility determination.
- The notice must advise the applicant of "the right to respond to the notice within ten calendar days after date of the notice" and of "the right to a hearing in accordance with 7 CFR 3560.160(f), which is available upon request." (This reference is to the Tenant Grievance and Appeal Procedures)
- If an applicant is rejected based on information from a credit bureau report, the source of the report must be revealed to the applicant, in accordance with the Fair Credit Reporting Act.
- **The written notice MUST be sent by certified mail, return receipt request, OR hand delivered with a signed and dated acknowledgement of receipt from the applicant.**

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).